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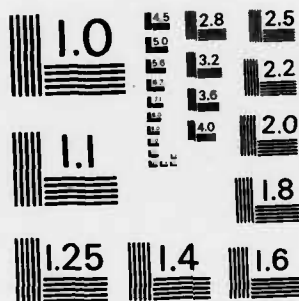
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US ARMY WAR COLLEGE
Carlisle Barracks, Pennsylvania**

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**PROBLEMS AND PROSPECTS FOR US POLICY
TOWARD IRAN AND SAUDI ARABIA IN THE 1980's**

by

Ralph H. Magnus

1 May 1983

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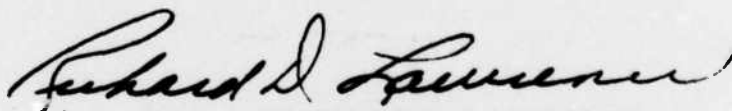


FOREWORD

The author of this memorandum uses a set of guidelines for analysis of the problems and prospects for US foreign policy toward Iran and Saudi Arabia in the 1980's. He examines US policy in the context of its evolution from the initial phase (1945-1970) through the "Twin Pillars" phase in the 1970's. After this historic treatment, he continues with an analysis of the "present dangers" and "problems and prospects" for US policy toward Iran and Saudi Arabia in the 1980's. During the 1970's, the author portrays a highly favorable period for US policy, and for the 1980's, a period in which the United States will be relatively successful limiting the damage caused by events occurring toward the turn of the decade.

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This memorandum was prepared as a contribution to the field of national security research and study. As such, it does not reflect the official view of the College, the Department of the Army, or the Department of Defense.



RICHARD D. LAWRENCE
Major General, USA
Commandant

BIOGRAPHICAL SKETCH OF THE AUTHOR

RALPH H. MAGNUS, Ph.D., is an Associate Professor and the Coordinator of the Middle East Area Studies program at the Naval Postgraduate School, Monterey, California. He holds undergraduate and graduate degrees from the University of California, Berkeley and was a post-doctoral fellow at the Hoover Institution of Stanford University. Dr. Magnus was a foreign service officer with the U.S. Information Agency in Kenya and Afghanistan. He is the editor of *Documents on the Middle East* and co-editor of *Gulf Security into the 1980's*. He has written a number of journal articles on United States interests in the Middle East, Middle East oil, Gulf politics and Afghanistan.

PROBLEMS AND PROSPECTS FOR US POLICY TOWARD IRAN AND SAUDI ARABIA IN THE 1980's

The foreign policy of the United States, in theory, is the rational application of a wide range of instruments—diplomacy, technical and economic aid, military aid and sales, information and cultural activities, etc.—in order to achieve specific objectives which, in turn, will advance the national interests in a particular country, geographical area or with regard to an issue area, such as foreign trade, nuclear nonproliferation, or the law of the sea.

An analysis of the problems and prospects for US policy toward Iran and Saudi Arabia in the 1980's must, to be sure, examine this relatively straightforward, no nonsense approach to foreign policy. Indeed, a thorough examination of all of the aspects and ramifications of our policy on this basis would take far more space than has been allocated here. Such an analysis would be useful and instructive, but it would be neither comprehensive nor, in the larger sense, truly rational.

William B. Quandt, in his analysis of American policy toward the Arab-Israeli conflict entitled *A Decade of Decisions*, has amply demonstrated that a realistic analysis of American foreign policy, particularly with regards to the Middle East, cannot be made on the basis of a national interest approach alone.¹ Additional insights to be gained from the perspectives of bureaucratic politics, domestic

politics and presidential leadership are necessary complements to the strictly national interest approach.

Yet, even incorporating these various approaches in our analysis, we still find it lacking in appreciation of the rich and varied hues of Middle Eastern political realities. This is particularly true when one enters the predictive realm of future problems and prospects for the remainder of the present decade. Difficult though it is to unravel the explanation of past policies and as controversial may be the definition of policy options facing us today, we can be certain that the prediction of future policies runs the risk of being pure speculation. Is our entire attempt, thus, to be a "House Built Upon Sand"?

I think not. We can say something meaningful and useful about the future course of American policy toward Iran and Saudi Arabia, provided our analysis takes into account the following aspects of procedure and substance:

- Although not comprehensive, the national interest approach remains vital. Not all foreign policies actually advance the national interest as they were designed to, but a foreign policy clearly contradictory to the national interest should have no claim to consideration as a policy option.²

- The alternative perspective of foreign policy analysis, as discussed by Quandt, should be considered.

- Because the conditions and circumstances of the future are unknowable in detail, we should confine our analysis to the broadest and most constant themes discernable.

- Foreign policy, at least in times of peace, is not the imposition of one's will upon another sovereign state. It must take into account the history, politics, interests and even the prejudices of other governments and peoples. This is a factor which a superpower can easily lose sight of by looking at the relative powerlessness of a nonsuperpower. However desirable a certain foreign policy objective may be from our point of view, if it arouses determined opposition from others on the basis that it offends their basic values or vital interests, we may find that it is unobtainable—or obtainable at such an inordinate cost as to make it not worth the effort.

- Although the surest recipe for a foreign policy disaster is merely to project that what has happened in the past will surely

happen in the future, a historically based analysis remains indispensable. Such analysis is limited; it cannot reveal correct policies for the future, and new issues undoubtedly will arise. Nonetheless, the recurrence of certain issues and problems over a long period of time, especially when they recur under vastly different contexts and regimes, is a strong indicator that they will persist in the coming decade as well.

Using these five points as guidelines for analysis, I propose to set the stage for the examination of the problems and prospects of the 1980's in the light of what can be revealed by the history of our past policies in three distinct periods of time. In the first of these, before 1970, are the origins of our interests and policies. But with certain exceptions, these were years in which our growing relations were gradually becoming important but not yet in the front rank of our foreign policy concerns, even in the regional context. During the second period, roughly corresponding to the decade of the 1970's, we will find that our relations with Iran and Saudi Arabia are becoming foreign policy concerns of the first order. They were almost universally regarded, however, as positive. They were the foundations of a highly favorable status quo, constituting in the words of President Jimmy Carter's New Year's Eve toast to the Shah at Niavaran Palace on December 31, 1977, "an island of stability" in the troubled Middle East.³ Beginning only a week later, in the January 7th demonstrations at Qom, events in the region began their slide into chaos and disaster in Iran, and to a series of crises with Saudi Arabia and the region. The "island of stability" had been transformed into "the arc of crisis."⁴

The 1980's have thus far, for American policy makers, been a period in which the United States attempted, with some success, to limit the damage caused by the shocks of the turn of the decade. Tentatively, and with no guarantee of success, we are now beginning to devise a longer term policy to create something, at least, of a tolerable *status quo* for American interests. A return to the highly favorable situation of the 1970's seems unobtainable. Realistically, American policy will do well to continue the processes of damage limitation, and not to suffer another disaster of the magnitude of Iran or Afghanistan. Optimistically, with wise and consistent policies, with great determination and effort, and with a large measure of good fortune, American policy can contribute to the easing of the current situation of danger, crises and threats to

vital American interests from external, regional and internal causes in both Iran and Saudi Arabia.

THE INITIAL PHASE: 1945-70

US concerns in the Middle East in the post-World War II era centered on three major areas: The Soviet menace, oil and Palestine.⁵ Relations with Iran and Saudi Arabia were key elements in our policies regarding the first two of these, and to a lesser extent our relations with Saudi Arabia were important to the Palestine issue.

Growing out of our wartime involvement in the region, the confrontation with the Soviet Union in the 1945-46 Azerbaijan crisis signalled the beginning of our postwar security policies to counter Soviet threats towards the Middle East. Our commitment to the independence and territorial integrity of Iran developed in the 1950's into a multinational security policy covering the "Northern Tier." After 1953, the United States became involved as well with Iranian oil, but this involvement was initially considered an additional security commitment, rather than having economic motives. It was felt necessary to get a rapid resumption of Iranian oil production, which was in turn necessary to reestablish internal stability in the country.

The pattern of our relations with Saudi Arabia already had been set in 1933 with the granting of the oil concession to Standard of California, which in the postwar era became the giant ARAMCO. During the war, the United States established diplomatic relations with Saudi Arabia and extended economic and military aid programs. Although clearly centered on the common interest of the rapid development of the oil industry, relations developed across a broad front. Our support for Saudi Arabia's independence and territorial integrity was expressed formally and informally, including the sending of fighter squadrons when the Saudi's felt threatened by Nasser's ambitions and radical revolutionary policies in the Yemen.⁶

Saudi Arabia was deeply concerned with the Palestine issue, as President Roosevelt learned first hand in his meeting with King Abdul Aziz in February 1945.⁷ Anticommunism was a fundamental aspect of the strongly Islamic Saudi regime, and in this its policies and those of the United States found much agreement during this

period. The Palestine issue, obviously, was the chief strain on our relations. However, the United States largely succeeded in keeping this separated from the oil and security areas of our bilateral relations.

Saudi Arabia had not yet obtained the leadership position in the Arab world it was to enjoy later. It was not a frontline state bordering on Israel. Intra-Arab politics were dominated by Egyptian-Iraqi and Egyptian-Syrian rivalries, which came to center on the personality and policies of Gamal Abdul Nasser. Following the disaster of the 1967 Arab-Israeli War, in which Nasser's leadership led to the loss of the portion of Palestine that had remained under Arab rule after 1948, Saudi Arabia's role began to grow in importance both with regard to the Palestine conflict and in Arab politics in general.

In many ways this development could be advantageous to the United States. Our best friends in the Arab world, the Saudis, were strongly anti-Soviet and committed to cooperation, not confrontation, with American oil interests. The decline of Arab radicals could signal a trend toward conservatism in the entire region. What was only imperfectly realized at the time, particularly in the White House, was that the compartmentalization of American policies toward Saudi Arabia which had hitherto allowed the separation of the Palestine issue from our cooperation on security and oil issues was becoming increasingly strained. The loss of Jerusalem in 1967 made the issue all the more urgent to the deeply religious King Feisal, and no Arab government could hope to take a leadership role in the region without actively addressing the Palestine issue.⁴ The United States found itself in the anomalous position of being at one and the same time the principal, and indeed virtually the only, foreign supporter of Israel and principal foreign supporter of Saudi Arabia. In theory, this was and is a highly advantageous position from which to use our influence on both sides toward a peaceful solution. The tragedy of the 1970's and thus far into the 1980's has been that the United States, because of bureaucratic politics, domestic politics and the lack of consistently applied presidential leadership has been unable to capitalize on its potential for leadership.

THE TWIN PILLARS: THE 1970's

In this decade, the Soviet threat, oil, and the Palestinian issues continued to dominate our concerns with the area and our bilateral relations with Iran and Saudi Arabia, but the context was fundamentally altered.

The Soviet Union embarked on an unprecedented period of activity in the region. It altered what had been a search for influence with nationalist regimes through political, economic and military aid in achieving their goals, to the formal conclusion of treaties of alliance, the search for Soviet bases and the commitment of Soviet forces and those of its Cuban and East European proxies in the region and adjacent areas. Ultimately, this policy led to intervention in regional conflicts, such as in the Horn of Africa, and in the overthrow of independent and nonaligned governments and their replacement by Marxist regimes dependent on Soviet military support.

The oil issue was altered first by the economic forces of the world energy situation. Decades of rapidly expanding production of cheap oil from the Middle East, and especially from the two leading producers in the Middle East—Iran and Saudi Arabia—had resulted in rapidly expanding use of oil in the industrialized world and the displacement of traditional energy sources, such as coal.⁹ Eventually, at the beginning of the decade even the great expansion of Middle Eastern supplies could not keep up with world demand. The new situation directly affected the United States, not only because the great international oil companies were largely American-owned, but because the United States itself had ceased to be self-sufficient in oil and, ultimately, having the surplus capacity to undermine any embargo of Middle Eastern supplies. At the beginning of the decade this new situation caused the OPEC producers, led by Iran and Saudi Arabia, to assert their ability to replace the oil companies in setting the price and production levels for the products, as well as moving toward gradual nationalization.¹⁰

With the outbreak of the Arab-Israeli War of October 1973, the Palestinian, oil and American national security issues became inextricably intertwined. After years of appeals and increasingly explicit warnings from the Saudis and some American specialists that it would be impossible for the Saudis to keep their oil and

Palestinian policies separated in the absence of progress toward an acceptable solution to the Arab-Israeli dispute, the Saudis led a politically-motivated production cutback and selective embargo policy directed against American support of Israel. Although it was over within six months, the embargo introduced a new element into Saudi-US relations. The new economic position of Saudi Arabia as the leader of OPEC and the recipient of undreamed-of sums of money enhanced the Saudis' regional role and turned them in certain respects into a world power in their own right. As the second leading oil producer, and possessing a much stronger industrial, military and population base, Iran also capitalized on the enhanced position of the Middle Eastern oil producers in general. The Shah was able to add to his position in the eyes of American policy makers by not adhering to the Arab's political use of oil and by his ties to Israel.

Ironically, the United States "twin pillars" policy of increased reliance upon Iran and Saudi Arabia to protect the security interests of the West in the Persian Gulf region was devised not in appreciation of the enhanced importance of the two nations in the region, but in response to the weakness of the West. Largely because of US commitments in South East Asia as a consequence of the Vietnam War, we did not step into the Middle East security role the British vacated in December 1971 by withdrawing from security commitments in the Persian Gulf.¹¹ Instead, the United States would continue to maintain its guarantees against direct Soviet aggression, but for lesser threats it would augment the capacity of the regional states, especially Iran and Saudi Arabia, to resist Soviet inspired or sponsored aggression or subversion through increased economic and military aid and advice.

Until the end of the decade, despite some strains between the pillars themselves and among the United States and Iran and Saudi Arabia, this policy could be judged a success. Oil continued to flow in increasing quantities to the West. The Soviet advances were being contained, and in some cases were even on their way to being reversed, by Saudi and Iranian financial, political and even military power (as in the Dhofar rebellion in Oman). The Soviet Union was expelled from Egypt by President Sadat, with Saudi aid and encouragement. Iraq's treaty relations with the Soviet Union were becoming nullified by the Iranian-Iraqi rapprochement following the Algiers agreement of 1975.

Propelled largely by a correct and altogether laudable desire to solidify American security through an effort to reach a settlement of the Arab-Israeli conflict, President Carter became actively involved in the process which led to Camp David and the Egyptian-Israeli Peace Treaty. Once again, however, American policy makers underestimated the independence and commitment of the Saudis towards the Palestinian question. Instead of being forced, in the end, to go along with the Camp David approach, the Saudis led the Baghdad Arab summit's rejection of Camp David and the isolation of Anwar Sadat. Thus, even the most sustained and sincere American effort since 1948 to settle the Arab-Israeli conflict failed, largely because it ignored Saudi Arabia's clearly expressed views that it could not support a limited and incomplete peace which would be seen in the Arab world as a sell-out of Palestinian rights. America's two leading supporters in the Arab world, Egypt and Saudi Arabia, were instead split from each other.

PRESENT DANGERS

The fundamental changes which have beset the region and US policies until the present began on April 27, 1978 with the communist coup in Kabul. Significantly, the United States did not recognize this danger, but the regional leaders did, including the Shah of Iran and President Zia ul-Haq of Pakistan.¹² Antigovernment demonstrations were growing in size and scope in Iran, and by the end of the year the Imperial Government was on its deathbed. Although primarily an internal affair against Pahlavi rule, the Iranian Revolution had the United States as its principal foreign policy enemy. The security interest of the United States, as well as its oil interests, were thus threatened. An immediate consequence of instability in Iran and the fall in oil production was a wave of panic buying which set off a new round of dramatic price increases. This was despite Saudi efforts to hold down the price of oil for their own self-interest in the long term as well as for their concern with the economic strength of the West.

Throughout 1979, the moderates in the Bazargan cabinet and American policy makers strove to maintain some of the basic economic and security ties that had been built up over the past decades with the Shah. But the logic of the revolution was against them; the day before the seizure of the hostages at the American

Embassy the Bazargan government cancelled the 1959 Bilateral Security Agreement with the United States.¹³

By 1980, the revolutionary impulse and the internal struggle for power led to interference with Iraqi antigovernment leaders, which provoked the regime of Saddam Hussein to attempt to remove the Iranian threat by military means. The ensuing Iran-Iraq War has posed a constant threat of spreading to all of the Gulf states, including Saudi Arabia, and thus of completely stopping the export of oil. The Saudis and their fellow conservative Gulf regimes have become increasingly open in their financial logistical support of Iraq. They have also moved toward cooperative arrangements among themselves in the Gulf Cooperation Council, established in 1981.

Saudi Arabia was appalled by the events in Iran despite the fact that relations with the Shah had never been very cordial. They brought home the uncertainty of revolution to their borders, albeit the Saudis initially felt no immediate danger from an *Islamic* revolution. Instead of a strong regional ally of the United States intervening between the Soviet Union and the Gulf, there was now an unstable power vacuum. The Iranian Revolution reflected directly upon Saudi relations with the United States. If the Americans could allow so important an ally as the Shah to fall, (leaving aside what would have been their reaction had the United States attempted to intervene to support the Shah) what was the value of the traditional special relationship of the Saudi royal family to the United States? Even more dangerous were the rumors, supported by the bitter denunciations of the exiled Shah himself, that the United States had actually cooperated in his downfall.¹⁴ At the end of 1979, the Holy Mosque of Mecca was seized by religious fanatics, many of whom were not Saudis but whose leadership was based upon tribesmen who felt that the regime had lost its original Islamic legitimacy. In addition, there was rioting among the Shi'ite population in Al-Hasa Province. Both incidents gave the Saudi government and the United States cause to fear that not even the strongly religious Saudi regime was immune from Islamically-inspired revolutionary movements.

In the final week of the decade, the Soviet Union challenged in the most open and direct manner, the fundamental assumption upon which United States had based its security policy. This was the view that, although the Soviets posed a potential military threat

to US interests in the region, this was always considered highly remote. The real Soviet threat was thus indirect through allies, proxies and internal subversion. Whether one viewed the Soviet actions in Afghanistan as the first stage of a march to the "warm waters" or as the desperate expedient designed to prop up a puppet regime which was in imminent danger of being overthrown by the outraged Afghan people, the use of major Soviet forces indicated a new stage of boldness in the region. In any case, they now felt that the correlation of forces was so much in their favor that it was no longer necessary to work through uncertain nationalist, neutralist and non-Communist regimes on the basis of a common opposition to "American imperialism".¹⁵ Naked military aggression would now be employed when necessary, and the regional states would see how futile were the protests of the United States and the West.

The anti-Soviet expansionist aims of American policy were thus threatened directly in Afghanistan and indirectly in Iran. The oil interests were threatened by the consequences of the Iran-Iraq War, the revolutionary threats to Gulf regimes and, most dangerously of all, by the potential for direct military action of the Soviet Union through Baluchistan to the Strait of Hormuz.

Additional blows to US policies, especially to US relations with Saudi Arabia, fell once again from the Palestinian issue. From the annexation of the Golan Heights, through the bombings of Beirut and the Iraqi nuclear reactor, and culminating in the invasion and occupation of southern Lebanon up to Beirut, Israeli actions seemed to demonstrate to the Saudis and other Arab governments that the United States was unwilling to restrain Israel's military might. Even worse, the possibility existed that the Americans had decided to support a "strategic consensus" against the Soviet Union dependent on the cooperation of Israel alone, which has clearly attained the status of a regional superpower.

American policy, to be sure, has not been inactive. Even the opposition to the Soviet invasion of Afghanistan, ineffective though it has been, clearly was more than the regional states had reason to expect. The proclamation of the "Carter Doctrine," the establishment of the Rapid Deployment Joint Task Force and its transformation into the US Central Command, accompanied by the search for "facilities" for stockpiling and possible deployment of American forces, have added a new dimension to US policy toward the region. This is the recognition that there are some

threats, principally direct military moves by the Soviet Union, which can be deterred or, if necessary, defeated only by the commitment of American military force. The sending, at Saudi Arabia's request, of the AWACS planes to the Gulf at the outbreak of the Iran-Iraq War, as well as statements and naval deployments designed to counter Iranian threats to close the Strait of Hormuz, indicate that military actions are possible in response to threats to American interests other than those from the Soviet Union.

PROBLEMS AND PROSPECTS

As in the past, the problems of American policies toward Iran and Saudi Arabia will continue to relate to our concerns with the Soviet threat, with our oil interests, and with the Palestinian question.

The central problem in responding to the Soviet threat relates to the credibility of the US commitment to resist Soviet aggression. The loss of Iran as an ally means that Saudi Arabia, and its Gulf allies, are in the frontline of the defense of their own oil resources. This poses a fundamental dilemma for US policy. Given the geographical realities, any hope of defending Saudi Arabia against a Soviet attack depends, at the very least, on the availability of adequate support facilities for prepositioning of supplies and equipment, as well as agreed upon plans for the rapid deployment of American forces upon warning of an imminent Soviet attack. However, the Saudis and their allies fear that these necessary preparations will expose them to regional and internal dangers which are more immediate than is the Soviet danger. An additional element in the reluctance of the Saudis to cooperate militarily is fear that the United States might use these very facilities in order to seize the oil resources, probably in cooperation with Israel. Underlying these views is the fear that all of these preparations would be futile in any case, even should the Soviet Union actually attack. Instead, as the United States has demonstrated by its tacit acceptance of the Soviet occupation of Afghanistan, the Soviet Union and the Americans would be much more likely to divide the region between them.

The problem of Iranian-American relations has yet to be addressed in anything but a piecemeal fashion. The dilemma here stems from the fact that Iran, although it is at present objectively

the major danger to American oil interest as well as to the internal stability of Saudi Arabia, remains at the same time vital to the objective countering the threat of Soviet expansionism. It still physically obstructs the best routes between the Soviet Union and the Gulf oil fields in the event of direct military aggression. In the more likely event of the continuing course of the Iranian Revolution leading to some Soviet controlled regime, however unrepresentative or weak, calling upon "fraternal assistance," we might be compelled to intervene in a situation in which Iran asked for Soviet intervention.

Thus, as bad as is the current state of our relations with Iran, it would be well to realize that things could be worse. At least the current regime loathes the Soviet Union as well as ourselves. This realization poses an additional dilemma for our policy toward the Iran-Iraq War. We certainly don't want a victory of the current Iranian regime over Iraq, as this would possibly be a fatal defeat for Saudi Arabia as well. At the same time, an Iranian defeat might well precipitate precisely the kind of chaos in Tehran which would provide the opportunity for Soviet intervention in Iran.

With regard to the Palestinian issue, our basic problem in relations with Saudi Arabia stems from the fact that the actions of the Begin government and, thus far, the responses of the United States to these actions, have raised the issue to a new level of urgency. In the first phase of our relations with Saudi Arabia, through the 1960's, it was possible to isolate this issue effectively from our security and oil relationships. In the second phase, after 1967 and especially after 1973, it became clear that oil and security issues were closely intertwined with the Arab-Israeli conflict. Indeed, it was the realization of this that finally got the issue the attention it deserved in US policy—leading to the successes of Kissinger's step-by-step shuttle diplomacy and eventually in the Camp David accords.

Yet, even during this more active phase, the Palestinian issue still did not *directly* affect Saudi security. The Saudis were involved because they had become, in many respects, the leading Arab state and unquestionably, the Arab state with the best relations with Washington. It was thus incumbent upon them, in order to maintain their leadership role and to justify their close ties with Israel's ally, that their efforts at persuasion and the use of their influence could yield a just settlement. Israel's actions in the

1980's, however, raised the possibility that Israel might have succeeded in convincing the US government that US anti-Soviet and oil interests in the Middle East would best be secured through strategic cooperation with Israeli military might. Saudi Arabia was, at best, an inconvenient and expendable irritant, rather than a vital ally.

The prospects for US policies toward Iran and Saudi Arabia in the 1980's, although beset by more serious and certainly more obvious dangers than a decade before, are not without some positive aspects. Overall, there is an atmosphere of greater realism, both with regard to the Soviet threat and in the evaluation of the strengths and weaknesses of the local regimes. The United States has realized, and acted on the realization, that our vital interests cannot be defended by regional allies alone. There is the realization as well that the weaknesses of our friends, as well as the questionable value of some of our past commitments, make the building of a new security arrangement a most delicate and prolonged task. However, despite years of revolution, terror, wars and subversion, Iran remains unified and strongly anti-Communist. Oil has continued to flow from the region with few physical interruptions, the fundamental relationship between buyers and sellers of a product which unites them as well as makes them antagonists, has, thus far, triumphed over war and ideology.

Even with respect to the Palestinian issue, there is at least a glimmer of hope. We can point to President Reagan's September 1, 1982 initiative, as well as to the Saudi success in getting the Fez Arab League Summit to adopt, virtually unchanged, King Fahd's peace plan as setting the stage for positive negotiations. Although serious differences still exist between the Reagan and Fez plans, both sides see positive aspects of the other's plans and are willing to talk about them.

Despite more than a few lapses, the United States since the end of the Second World War has supported the independence, territorial integrity and peaceful economic development of Iran and Saudi Arabia. These are objectives which we continue to share with these governments and peoples today, despite the fact that Iran is not about to admit this publically. It is in the search for practical ways to obtain these common goals that our hope for the future will lie.

ENDNOTES

1. William B. Quandt, *Decade of Decisions, American Policy Towards the Arab-Israeli Conflict, 1967-1976*, Berkeley and Los Angeles: University of California Press, 1977, see esp. pp. 3-33.
2. The best recent discussion of the concept of national interest is that of Donald E. Neuchterlein, "The Concept of 'National Interest': A Time for New Approaches," *Orbis*, Vol. 22, No. 1, Spring 1979, pp. 73-92.
3. Mohammad Reza Pahlavi, the Shah of Iran, *Answer to History*, New York: Stein and Day, 1980, pp. 152-53.
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10. George Lenczowski, *Middle East Oil in a Revolutionary Age*, Washington: American Enterprise Institute for Public Policy Analysis, 1976, pp. 6-12.
11. James N. Noyes, *The Clouded Lens, Persian Gulf Security and U.S. Policy*, Second Ed., Stanford, California: The Hoover Institution Press, 1982, p. 55.
12. Mohammad Reza Pahlavi, the Shah of Iran, p. 133; "West German Interview of Zia ul-Haq on Mideast Situation," as reported in the *Foreign Broadcast Information Service, Daily Report, South Asia, and North Africa*, Vol. 5, No. 050, March 12, 1980, p. S 11. Henceforth cited as *FBIS*.
13. "Cooperation Agreement with U.S. Abrogated," *FBIS, Middle East and North Africa*, Vol. 79, No. 216, November 6, 1979, p. R 16.
14. Mohammad Reza Pahlavi, the Shah of Iran, pp. 169-73.
15. It was precisely this fear that found its expression in the official paper of the Iraqi Ba'th Party, see "Ath Thawrah Discusses USSR Intentions on Afghanistan," *FBIS, Middle East and North Africa*, Vol. 80, No. 004, January 7, 1980, pp. E-1 and E-3. For a more detailed analysis of the Soviet's viewpoint, see W. Scott Thompson, "The Persian Gulf and the Correlation of Forces," *International Security*, Vol. 7, No. 1, Summer 1982, pp. 157-80.

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21. ABSTRACT (Continue on reverse side if necessary and identify by block number) The author of this memorandum uses a set of guidelines for analysis of the problems and prospects for US foreign policy toward Iran and Saudi Arabia in the 1980's. He examines US policy in the context of its evolution from the initial phase (1945-70) through the "Twin Pillars" phase in the 1970's. After this historic treatment, he continues with an analysis of the "present dangers" and "problems and prospects" for US policy toward Iran and Saudi Arabia in the 1980's. During the 1970's, the author portrays a highly favorable period for US policy, and for the 1980's, a period in which the United States will be		

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relatively successful limiting the damage caused by events occurring toward the turn of the decade.

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